

June 13, 2002

Brigadier General Edwin J. Arnold, Jr.
U.S. Army Corps of Engineers
Mississippi Valley Division
P. O. Box 80
Vicksburg, MS 39181-0080

Dear General Arnold:

On behalf of the 32,000 members of the National Corn Growers Association (NCGA), I would like to commend the U.S. Army Corps of Engineers on the thorough, and inclusive manner in which you have conducted the Upper Mississippi River-Illinois Waterway Navigation Study. The Corps has taken great strides to ensure that stakeholders are informed and involved in the study process.

Throughout the study process NCGA and other agricultural groups have emphasized the importance of modernizing locks on the Upper Mississippi and Illinois Rivers. This river system connects midwestern growers with world markets. However, investments in this crucial waterway have not kept pace with current or future demand.

While the Corps has methodically conducted the Navigation Study, the need for increased lock capacity has become dire. Congestion-related delays, lost agricultural sales, and slippage in U.S. competitive position have all occurred during this study's life. Without investment in new lock capacity soon, the economies of agriculture, the Midwest, and the entire Nation will erode.

Recently, NCGA released a study quantifying the macroeconomic impacts related to delaying lock modernization. If lock expansions are not made by 2020, the average cost of transporting corn and soybeans to export could increase by 17 cents per bushel. This seemingly modest cost increase will have a devastating impact on the agricultural economy. These impacts include reduced production, lost export sales, and a \$562 million drop in farm income. This precipitous drop in farm income would reduce agricultural employment by nearly 11,000 jobs resulting in \$185 million decline in state and local tax receipts. As this continues to ripple through the Midwestern and National economy, an additional 9,000 jobs would be lost due to reduced tax receipts, and higher food prices. Although the Corps has thoroughly studied the economic impacts of lock construction, they have completely ignored the secondary and tertiary impacts of lock expansion or inactivity.

NCGA is committed to work with the Corps and the environmental community to develop practical, common sense solutions to improve the river's ecosystem. We have always advocated for a better environment. It is the contention of all of our members that we can make much needed improvements to the locks, and still provide for environmental enhancement. These are not mutually exclusive goals.

Finally, after an extensive review of this interim report, we believe that the Corps has provided sufficient documentation to justify authorization of new locks. Even though the Corps will not complete the final feasibility study until 2004, they have presented convincing evidence that current traffic levels justify new locks, and increases in future traffic will only further exacerbate lock delays to the detriment of the National economy. It is now time to make this National investment.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Hume', with a stylized flourish at the end.

Tim Hume, President
National Corn Growers Association
Walsh, Colorado

cc. Denny Lundberg
U.S. Army Corps of Engineers
Clock Tower Building
P.O. Box 2004
Rock Island, IL 61204

Responses to comments from National Corn Growers Association.

The full evaluation of ecosystem and navigation improvement measures will be accomplished as part of the feasibility study. Tentative plans will be completed by October 2003 and shared with the stakeholders and public. A final recommendation will then be determined and documented in the final feasibility report scheduled for completion in 2004.